

City of Detroit

CITY COUNCIL

IRVIN CORLEY, JR.
DIRECTOR
(313) 224-1076

FISCAL ANALYSIS DIVISION
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 218
Detroit, Michigan 48226
FAX: (313) 224-2783
E-Mail: irvin@cncl.ci.detroit.mi.us

ANNE MARIE LANGAN
DEPUTY DIRECTOR
(313) 224-1078

TO: Nancy Skowronski, Director
Library Department/Municipal Reference Library

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: May 2, 2008

RE: 2008-2009 Budget Analysis

24.

Attached is our budget analysis regarding your department's budget for the upcoming 2008-2009 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Tuesday, May 6, 2008 at 1:30 p.m.** We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Pamela Scales, Budget Department Director
Norman White, Finance Department Director
Ron Chenault, Budget Department Team Leader
Kerwin Wimberly, Mayor's Office

I:\08-09 BUDGET\DAILIES-FINAL\AG\Library.doc

Library (72)

FY 2008-200 Budget Analysis by the Fiscal Division

Summary

The Mayor's Proposed Budget for 2008-2009 includes appropriations of \$48.5 million, which is a decrease of \$4.7 million or 8.9% from fiscal year 2007-2008. The Mayor's Proposed Budget for 2008-2009 includes revenues of \$48.5 million, which is a decrease of \$4.7 million or 8.9% from fiscal year 2007-2008.

2007-2008 Surplus/(Deficit)

The Library is anticipating neither a surplus nor a deficit for fiscal year 2007-2008.

Overtime

There was no overtime budgeted for the Library in fiscal year 2008-2009. Through March 31, 2008, the Library has spent \$26,395 on overtime. The recommended overtime budget for fiscal year 2007-2008 is \$0.

Employee Turnover Savings

There is no employee turnover savings projected for the Library in the Mayor's 2008-2009 Proposed Budget.

| <u>Appropriation/Program</u> | <u>Redbook Positions FY 2007-08</u> | <u>Filled Positions 3/31/2008</u> | <u>Mayor's Budget Positions FY 2008-09</u> | <u>Over/(Under) Actual to 07/08 Budget</u> | <u>Mayor's Recommended Turnover</u> |
|---|---|---|--|--|---|
| Library 72): | | | | | |
| 720020 Library - Director of Main Library | 1 | 1 | 1 | 0 | \$ - |
| 720033 DPL - Children's Library Services | 11 | 11 | 11 | 0 | \$ - |
| 720034 Children & Young Adult Services | 2 | 0 | 2 | (2) | \$ - |
| 720041 DPL - TIP, GI & Business & Financial | 0 | 22 | 0 | 22 | \$ - |
| 720042 Popular Library | 19 | 0 | 19 | (19) | \$ - |
| 720044 TIP & TRC | 9 | 0 | 9 | (9) | \$ - |
| 720051 DPL - Sociology, Economics & PRE | 0 | 0 | 0 | 0 | \$ - |
| 720054 S & E/PRE/MRL | 22 | 19 | 20 | (3) | \$ - |
| 720101 DPL - Music, Performing Arts & Art & | 0 | 0 | 0 | 0 | \$ - |
| 720110 Technology & Science | 0 | 0 | 0 | 0 | \$ - |
| 720114 T & S/B & F | 17 | 9 | 17 | (8) | \$ - |
| 720154 MPA/Art&Lit/H & T | 18 | 18 | 18 | 0 | \$ - |
| 720160 Burton Historical Collection | 0 | 0 | 0 | 0 | \$ - |
| 720265 Special Collections | 21 | 21 | 21 | 0 | \$ - |
| 720522 DPL - Database Mgmt. Services | 0 | 0 | 0 | 0 | \$ - |
| 720650 Security | 16 | 16 | 16 | 0 | \$ - |
| 00189 Main Library | 136 | 117 | 134 | (19) | \$ - |
| 720201 DPL - Asst. Director Branch Svcs. | 2 | 1 | 2 | (1) | \$ - |
| 720210 Chaney | 7 | 5 | 7 | (2) | \$ - |

Library (72)

FY 2008-200 Budget Analysis by the Fiscal Division

| | | | | | | |
|--|-----------------------|-----------------------|-----------------------|------------------------|----------------------|---------------------|
| 720220 Hubbard | 7 | 4 | 7 | (3) | \$ | - |
| 720230 Redford | 11 | 7 | 12 | (4) | \$ | - |
| 720240 Campbell | 6 | 7 | 6 | 1 | \$ | - |
| 720250 Lincoln | 7 | 5 | 7 | (2) | \$ | - |
| 720260 Jefferson | 8 | 5 | 8 | (3) | \$ | - |
| 720270 Chase | 7 | 5 | 7 | (2) | \$ | - |
| 720280 Monteith | 7 | 5 | 7 | (2) | \$ | - |
| 720290 Franklin | 9 | 6 | 9 | (3) | \$ | - |
| 720300 SIR/Douglas | 24 | 14 | 24 | (10) | \$ | - |
| 720310 Elmwood Park | 6 | 4 | 6 | (2) | \$ | - |
| 720320 Parkman | 12 | 7 | 11 | (5) | \$ | - |
| 720330 Wilder | 8 | 6 | 8 | (2) | \$ | - |
| 720340 Conley | 7 | 5 | 7 | (2) | \$ | - |
| 720350 Chandler Park | 7 | 4 | 7 | (3) | \$ | - |
| 720360 Bowen | 9 | 5 | 9 | (4) | \$ | - |
| 720370 Knapp | 7 | 5 | 7 | (2) | \$ | - |
| 730380 Edison | 8 | 4 | 8 | (4) | \$ | - |
| 720390 Duffield | 9 | 6 | 9 | (3) | \$ | - |
| 720400 Sherwood Forest | 7 | 5 | 7 | (2) | \$ | - |
| 720410 Downtown | 12 | 7 | 12 | (5) | \$ | - |
| 720420 Richard | 7 | 8 | 7 | 1 | \$ | - |
| 720430 Mark Twain | 4 | 3 | 4 | (1) | \$ | - |
| 720440 Gray | 0 | 0 | 0 | 0 | \$ | - |
| 00190 Branch Services | 198 | 133 | 198 | (65) | \$ | - |
| 720002 DPL - Admin. Operations | 7 | 7 | 8 | 0 | \$ | - |
| 720012 Dir. Of Public Services | 4 | 4 | 4 | 0 | \$ | - |
| 720172 DPL - Circulation | 13 | 7 | 13 | (6) | \$ | - |
| 720452 Marketing Services | 9 | 9 | 9 | 0 | \$ | - |
| 720462 Dir. Of Technical Services | 2 | 3 | 3 | 1 | \$ | - |
| 720482 DPL - Bibliographic | 11 | 9 | 10 | (2) | \$ | - |
| 720492 Print Shop | 4 | 2 | 4 | (2) | \$ | - |
| 720502 DPL - Technical Processing Services | 18 | 14 | 18 | (4) | \$ | - |
| 720522 Database Management Services | 0 | 0 | 0 | 0 | \$ | - |
| 720532 Library - Director of Information Systems | 11 | 7 | 12 | (4) | \$ | - |
| 720542 Library - Human Resources | 8 | 6 | 8 | (2) | \$ | - |
| 720572 Library - Director Business & Finance | 14 | 11 | 14 | (3) | \$ | - |
| 720622 DPL - Facilities Maintenance | 24 | 22 | 24 | (2) | \$ | - |
| 720662 DPL - Shipping Services | 8 | 6 | 8 | (2) | \$ | - |
| 10454 DPL - Administrative Management | 133 | 107 | 135 | (26) | \$ | - |
| 72XXXX Part-Time | 0 | 99 | 0 | 99 | \$ | - |
| 72XXXX Leave of Absence | 0 | 0 | 0 | 0 | \$ | - |
| 72XXXX Workers Compensation | 0 | (1) | 0 | (1) | \$ | - |
| 72XXXX Unmatched Positions | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>\$</u> | <u>-</u> |
| TOTAL | <u>467</u> | <u>455</u> | <u>467</u> | <u>(12)</u> | <u>\$</u> | <u>-</u> |

Library (72)

FY 2008-200 Budget Analysis by the Fiscal Division

Proposed Layoffs and Vacant Position Reductions

The 2008-2009 budget does not recommend any changes to the positions for the Library. No layoffs are proposed for this department.

Significant Changes in Funding by Appropriation

Appro Program

| | | |
|-------|---|---|
| 00189 | Main Library | The appropriation for the Main Library decreased by \$4,841,916. The decrease results from the following: a \$4,820,604 decrease in Capital Outlays; a decrease in Other Expenses of \$1,425,726; a \$675,055 decrease in Operating Services; a \$382,180 decrease in Salary and Wages; a \$319,500 decrease in Operating Supplies; and a \$124,455 decrease in Employee Benefits; offset by an increase in Capital Equipment of \$2,664,604; and an increase in Professional Service Contracts of \$241,000. |
| 00987 | Capital | |
| 10454 | Improvements, and DPL-Administrative Management | |

Appro. Program

| | | |
|------|--------------|--|
| 0190 | Main Library | The appropriation for the Branch Services increased by \$96,625. The increase results from the following: an increase in Salary and Wages by \$36,365; an increase in Employee Benefits by \$60,260; and no change in the Operating Services from the FY 2007-20008 Budget to the FY 2008-2009 Budget. |
|------|--------------|--|

Library (72)

| <u>Budgeted Professional and Contractual Services by Activity</u> | <u>FY 2007-08</u> | <u>FY 2008-09</u> | <u>Increase (Decrease)</u> |
|---|----------------------------|----------------------------|----------------------------|
| | <u>Budget</u> | <u>Recommended</u> | |
| Main Library | \$ 1,230,000 | 1,471,000 | \$ 241,000 |
| Branch Services | - | - | - |
| Total | <u>\$ 1,230,000</u> | <u>\$ 1,471,000</u> | <u>\$ 241,000</u> |

Significant Revenue Changes by Appropriation

Appro Program

| | | |
|-------|--------------------------------|---|
| 10454 | Main Library & Branch Services | Revenues have decreased by \$3,745,291 primarily due to the following: a \$4,000,000 decrease in the Prior Year Surplus account and \$758,949 decrease in Uncollectible Property Taxes; a \$345,000 |
|-------|--------------------------------|---|

Library (72)

FY 2008-200 Budget Analysis by the Fiscal Division

decrease in Grants Community Program and \$200,000 decrease in Prior Year Property Taxes, a \$107,000 decrease in the Property Tax Penalty; offset by a \$699,946 increase in the Current Year's Property Taxes.

| <u>Appro</u> | <u>Program</u> |
|--------------|----------------|
|--------------|----------------|

| | | |
|-------|------------------------------|--|
| 00987 | Library Capital Improvements | No Library Capital Improvements are budgeted for the 2008-2009 FY. In 2007-2008 FY, \$1.0 million was budgeted for Library Capital Improvements. |
|-------|------------------------------|--|

Issues and Questions

1. What is the reason for the \$699,946 projected increase in Current Year Property taxes?
2. Since there is a significant decrease of \$150,704 for miscellaneous receipts, can you please explain what makes up the miscellaneous receipts and what caused the decline?
3. Since the Library primarily relies on property taxes to fund its operations, how does the Library plan to offset any decreases in property tax revenue due to the high foreclosure rates in the city of Detroit?
4. How does the Library account for the \$24,395 incurred in overtime and there was no budget set aside for it?
5. In FY 2007-2008, Grants from Community Programs were budgeted, why aren't they budgeted for FY 2008-2009?
6. Please explain the decrease on \$4 million in the Prior Year Surplus account, and what impact this has on operations. How much in reserves is remaining for the Library?